

Message Text

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ORIGIN AF-07

INFO OCT-01 ISO-00 XMB-02 SSO-00 EB-07 CIAE-00 INR-05

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DRAFTED BY AF/C:RRSTRAND:GJB

APPROVED BY AF/C:WLCUTLER

EXIMBANK: MR. LOW

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FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA IMMEDIATE

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E.O. 11652: N/A

TAGS: EFIN, CG

SUBJECT: INGA-SHABA LOAN PAYMENT; DISBURSEMENT OF
AIRCRAFT LOAN

REFS: A) STATE 26002 AND PREVIOUS; B) STRAND-WALKER

LETTER NOVEMBER 17

1. DE MUNNICK REPORTS RECEIPT NOVEMBER 26 OF CONFIRMATION
THAT CENTRAL BANK HAS ALLOCATED FUNDS FOR INGA-SHABA LOAN
PAYMENT. HE EXPECTS PAYMENT NOVEMBER 27 AND WILL OF COURSE
INFORM SYNDICATE BANKS AS SOON AS IT IS RECEIVED. HE
WISHES THANK EMBASSY FOR ASSISTANCE.

2. DE MUNNICK HAS ALSO INFORMED US THAT FNCB IS ACTING TO
PRECIPITATE COMPLETION OF CONDITIONS PRECEDENT TO
DISBURSEMENT OF AIRCRAFT LOAN. AS REPORTED REF B, STILL
OUTSTANDING ARE PAYMENT OF EXIM COMMITMENT FEE AND PENALTY
AND CERTAIN DOCUMENTARY REQUIREMENTS. LATTER INCLUDE NOTE
TO BE STGNED BY BARUTI AND INSURANCE CERTIFICATE TO BE
PROVIDED BY AIR ZAIRE; NOTIFICATION OF NEED FOR BOTH WAS
GIVEN TO MINFIN AND AIR ZAIRE BY SPINK SEPTEMBER 30.
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FNCB HAS NOW TELEXED TO SAMBWA INFORMING HIM THAT, UNLESS

THESE OUTSTANDING CONDITIONS PRECEDENT ARE MET BY DECEMBER 31, BANK WILL HAVE NO OPTION BUT TO PRESENT FOR PAYMENT THE CONSOLIDATED DEMAND NOTE FOR THE 70,807,000 DOLLARS EXTENDED AS BRIDGE FINANCING FOR THE AIRPLANES. (FYI. NOTE SIGNED BY GOVERNOR SAMBWA, GUARANTEED FOR GOZ

BY BARUTI.) SINCE, UNDER LOAN AGREEMENT SIGNED WITH EXIMBANK, AVAILABILITY OF LOAN EXPIRED END OF OCTOBER, FNCB IS ALSO ASKING GOZ TO REQUEST EXIM TO EXTEND AVAILABILITY TO JANUARY 31, 1975. (FYI. EXIM WOULD NORMALLY GRANT EXTENSION ON REQUEST.)

3. COMMENT. FNCB IS UNDERSTANDABLY ANXIOUS TO ACTIVATE EXIM LOAN AND GUARANTEE AND THEREBY TERMINATE 70 MILLION DOLLARS EXPOSURE COVERED ONLY BY GOZ GUARANTEE. AT THIS POINT, HOWEVER, DE MUNNICK BELIEVES, AND WE CONCUR, THAT NO EMBASSY ACTION IS REQUIRED. INGERSOLL

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